

## RHUMBLINE ADVISERS

265 Franklin Street, 21<sup>st</sup> Floor, Boston, Massachusetts 02110

TOTAL PROFESSIONALS: 23  
INVESTMENT STYLE: PASSIVE  
INVESTMENT PROCESS: QUANTITATIVE  
ASSETS UNDER MANAGEMENT as of June 30, 2019: \$58.4 BILLION

*rhumb line: "a line on a nautical chart which represents the most easily navigated course from Point A to Point B."*

### WHO WE ARE:

RhumbLine Advisers is a Boston-based 100% employee-owned investment firm that specializes in developing, managing and customizing index-based products for institutional investors.

### OUR HISTORY:

Formed in October 1990, RhumbLine began managing U.S. tax-exempt assets in December 1990. Our firm is comprised of a strong team of professionals who have built the company's success by:

- (1) providing passive products that meet specific client needs,
- (2) consistently tracking within our client's guidelines,
- (3) delivering responsive and personalized client service, and
- (4) offering a highly competitive fee structure.

RhumbLine's structure, focus and flexibility have been key ingredients in sustaining and expanding our client partnerships as well as attracting new assets. Over the last 10 years, the firm has nearly quadrupled its assets under management<sup>1</sup>. RhumbLine currently manages \$58.4 billion for 235 clients across over 30 states and more than 45 different index-based products<sup>2</sup>.

### OWNERSHIP STRUCTURE

RhumbLine Advisers is a Massachusetts Limited Partnership. RhumbLine is owned and managed by its principals and employees; there are 13 partners who own 100% of the partnership.

### BENEFITS OF INDEXING

- Diversification – Gain broad exposure across a particular asset class at a very low cost.
- Low maintenance – Easy to invest, monitor and measure results.
- Stability - Lower portfolio turnover, costs and management fees.
- Tax-efficient – Less turnover reduces tax exposure that can occur in actively managed funds.

<sup>1</sup> Figure as of 6/30/19

<sup>2</sup> Figures as of 6/30/19

## INVESTMENT PHILOSOPHY

As an index-based manager, our investment objective is to produce returns that track, as closely as possible, the client-specific benchmark.

We utilize three different strategies to construct portfolios – Replication, Sampling and Optimization. We work with each client to determine which approach makes the most sense given the benchmark, portfolio size, tracking error expectation and customization parameters. Our index offerings include domestic and international equity and domestic fixed income asset classes.

INDEX STRATEGIES <sup>3</sup>			
LARGE CAP	MID CAP	SMALL CAP	BROAD MARKET
S&P 500 <sup>®</sup> *	S&P MidCap 400 <sup>®</sup> *	S&P SmallCap 600 <sup>®</sup> *	S&P 1500 <sup>®</sup>
S&P 100 <sup>®</sup>	S&P MidCap 400 <sup>®</sup> Growth	Russell 2000 <sup>®</sup>	Russell 3000 <sup>®</sup>
Russell Top 200 <sup>®</sup>	Russell Midcap <sup>®</sup>	Russell 2000 <sup>®</sup> Growth	Wilshire 4500
Russell Top 200 <sup>®</sup> Growth	Russell Midcap <sup>®</sup> Growth	Russell 2000 <sup>®</sup> Value	Wilshire 5000 Total Market
Russell Top 200 <sup>®</sup> Value	Russell Midcap <sup>®</sup> Value	Russell 2500 <sup>®</sup>	MSCI Global Investible US
Russell 1000 <sup>®</sup> *	S&P 1000 <sup>®</sup>	Russell Smallcap Completeness <sup>®</sup>	
Russell 1000 <sup>®</sup> Growth *			
Russell 1000 <sup>®</sup> Value *			
FIXED INCOME	INTERNATIONAL	SMART BETA	SPECIALTY
Core Bond - US Aggregate*	DJ Brookfield Global Infrastructure	RhumbLine Multi-Factor	FTSE Nareit All Equity REIT*
US 10 Year Treasury	MSCI Emerging Markets	Equal-Weighted S&P 500 <sup>®</sup> *	Tax-Efficient
US TIPS*	MSCI EAFE *	Equal-Weighted Mega Cap	Completeness
Intermediate Gov't/Credit	MSCI ACWI-ex US	Russell RAFI US <sup>®</sup>	Equal-Weighted
Bloomberg Barclays 1-3 Yr. US Treasury Bond	MSCI ACWI ex US ex Fossil Fuels	Russell RAFI Global ex-US <sup>®</sup>	Customized Screens (Sudan-Free, Socially Responsible, Fossil Fuel Free, ESG etc.)
Bloomberg Barclays 5-7 Yr. US Treasury Bond	MSCI Global Consumer Staples	Russell 1000 <sup>®</sup> HEDI Moderate	
	S&P Global Natural Resources	S&P Energy Select Sector	
	S&P Global LMC Commodity & Natural Res.	SciBeta US Multi-Beta Multi-Strategy 4-Factor EW	
	Custom ADR	SciBeta Dev. ex-US Value Diversified Multi-Strategy	

*\* Also available as a pooled investment fund to qualified investors with at least \$5 million in assets.*

<sup>3</sup> Please refer to the Compliance/Legal section of RhumbLine's website for index trademark disclosures and disclaimers: [www.RhumbLineAdvisers.com](http://www.RhumbLineAdvisers.com).

## BUY/SELL DISCIPLINE

Depending on the size of the portfolio and the requested benchmark, we hold nearly all securities in the specified index and do not sell any securities except under conditions of mergers or buyouts. All securities within the index are eligible for inclusion in the portfolios unless the client requests specific restrictions. This insures our ability to produce index-like returns for our clients. Buy and sell decisions are taken from time to time to rebalance portfolios if any of the following occur: cash flows in or out of the portfolio, dividend income needs to be invested or there are changes in the composition of the underlying index.

## TRADING PROCESS

RhumbLine Advisers seeks best execution for all transactions and considers the impact of liquidity on the selection of brokers and the negotiation of commission rates. As a firm, we trade as economically as possible in our index-based strategies.

Trading decisions, broker selection, and choice of execution venue are driven solely by the pursuit of **low-cost, high-quality execution**. Liquidity and trading costs, including a sophisticated model of market impact, are incorporated directly into the portfolio trading process.

## WHY RHUMLINE?

- **Dedicated Asset Manager:** Our firm derives 100% of revenue from investment management; we offer and manage only index-based strategies.
- **Simple Non-Hierarchical Organization Structure:** A flat management structure allows clients accessibility to the entire management team whose focus is to deliver prompt and personalized service.
- **Experience and Service:** We have been managing customized index-based strategies since 1990. Nearly one third of our assets under management are customized, and half of our clients utilize multiple index strategies with us<sup>4</sup>.
- **Private, Employee-Owned Partnership:** Our ownership structure keeps our interest and focus closely aligned with our clients'. This encourages efficient decision-making and client attention and avoids the pressures that public shareholders sometimes can place on large public firms.

*Thank you for considering indexing with RhumbLine!*

*RhumbLine Advisers Limited Partnership (RhumbLine) is an SEC registered investment adviser, providing investment advice to institutional clients on a discretionary basis. Registration with the SEC does not imply any level of expertise or training. This fact sheet is intended for qualified prospective clients of RhumbLine and is for informational purposes only. It does not provide investment advice or recommendations, nor is it an offer or solicitation of any kind to buy or sell investment products.*

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<sup>4</sup> Figures as of 6/30/19